

MINUTES

KANSAS ELECTRIC TRANSMISSION AUTHORITY

February 2, 2007
Kansas Corporation Commission
1500 SW Arrowhead Dr.
Topeka, KS 66604

Members Present

Representative Carl Holmes, Chairperson
Earnie Lehman, Vice-Chairperson
Tim McKee, Secretary
Senator Jay Emler
Les Evans
Senator Janis Lee
Representative Annie Kuether

Staff Present

Mary Galligan, Kansas Legislative Research Department
Renaë Hansen, Temporary Secretary

The meeting was called to order by Chairperson Holmes at 1:05 p.m.

The Chairperson asked for two items to be added to the published agenda: correspondence received by the Board; and HB 2306. *Representative Kuether made, and Tim McKee seconded, a motion to approve the agenda as amended. Motion passed.*

The Chairperson recognized Jay Caspary, Les Dilahanty, and Keith Hines, Southwest Power Pool (SPP) who participated via telephone. Discussion of the SPP *Kansas Electric Transmission Authority (KETA) Study Proposal* ensued (Attachment 1).

Jay Caspary also submitted a slide presentation (Attachment 2). He described the parameters for the transmission line expansion study requested by KETA. The study proposal included two scenarios: one being capacity-based, and one energy-based. The study would include the amount of energy sold to Kansans under the Governor's goal of 20 percent of electricity from renewable resources by 2020. The study outlined in the proposal would cost about \$50,000, including computer time and labor needed directly and taking into consideration projects that will be delayed to work on this study. Specifics of the modeling parameters were discussed.

Mr. Lehman made, and Mr. Evans seconded, a motion to accept the study proposal submitted by SPP with the changes made in the conversation and authorizing the Chairperson to sign a contract for the study as discussed. The motion passed.

The Chairperson directed the Board's attention to a letter to the Kansas Corporation Commission (KCC) asking the Commission to act expeditiously on the matter of ITC's pending request to be certified as a utility in Kansas (Attachment 3). The Committee discussed the matter.

Mr. Evans made and Representative Kuether seconded, a motion to send the letter to the KCC as drafted. The motion passed.

The Chairperson recognized Mr. Lehman on the matter of the Board's request for proposals (RFP) for management services. Mr. Lehman noted that KETA has two needs: someone to manage the day-to-day operations; and someone to handle project management when that need arises. Mr. Lehman distributed to the Board a possible time line for the RFP process and explained his proposal (Attachment 4). The Board discussed the feasibility of issuing two separate RFPs.

Mr. McKee made, and Representative Kuether seconded, a motion to proceed with the time frame of the proposal set forth by Mr. Lehman with two separate RFPs for the Board's needs. The motion passed.

Mr. Lehman and Mr. McKee volunteered to develop a draft RFP for discussion at the next Board meeting.

The Chairperson recognized Mr. McKee in regard to letters of concern submitted to the Board. Mr. McKee noted that many of the letters are related to the potential environmental impact of energy developments.

Senator Emler made, and Mr. Lehman seconded, a motion that the Secretary respond to the correspondence acknowledging the concerns voiced and inviting the individuals to present the issues in person to the Board. The motion passed.

The Chairperson informed the Board that a bill that would amend the KETA statutes, HB 2306, would be heard by the House Energy and Utilities Committee on February 7. The Chairperson recognized Mary Galligan to describe the bill. Ms. Galligan noted that the bill would make technical amendments to the Board's authority by separating the routine, day-to-day work of KETA from the transmission projects KETA is authorized to implement. The existing timelines and other requirements would be retained for transmission projects, but day-to-day activities could be executed without publication and waiting period requirements.

Senator Lee made, and Mr. McKee seconded, a motion to authorize Mr. Lehman to present testimony in support of the bill at legislative hearings. The motion passed.

The Chairperson opened the discussion of a date for the next Board meeting. Mr. Lehman suggested that the Board schedule two meetings ahead. The Board decided to reserve April 2 and April 9 pending resolution of the legislative calendar.

The Chairperson directed the Board's attention to the report of expenditures to-date (Attachment 5).

The next Board meeting is scheduled for March 2, 1:30 p.m., in the KCC first floor hearing room.

The meeting was adjourned at 2:45 p.m.

Respectfully submitted,

Tim McKee, Secretary

Approved by the Board on:

March 2, 2007

(Date)